been released upto 30 Nov. 2005 to 7 States, as follows: Andhra Pradesh (Rs. 193.80 crores), Bihar (Rs. 47.31 crores), Karnataka (Rs. 251.16 crores), Kerala (Rs. 181.77 crores), Maharashtra (Rs. 259.89 crores), Tripura (Rs.4.89 crores) and West Bengal (Rs. 88.07 crores).

**Increase in limit of gratuity**

1452. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to increase the limit of gratuity from the present level of Rs. 3.5 lacs; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) *Status quo* is being maintained keeping in view the possible repercussions in case the limit increased.

**Income-Tax exemption of Fish Farmers in Punjab**

1453. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that fish farmers in Punjab have been distinguished from other agriculturists and have been subjected to income tax *vide* Ministry of Finance's notification dated 20th December, 1993;

(b) whether the farmers in Punjab have been protesting against this; and

(c) whether there is any proposal to give Income Tax exemption to fish farmers at par with agriculturists and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Fish farmers of Punjab are not given different treatment under I.T. Law from the fish farmers of other parts of the country. All fish farmers, unlike agriculturists, are subjected to Income tax. A clarification was issued by the Central Board of Direct Taxes regarding the procedure to be adopted for assessing the income of fish farmers and it is applicable all over the country.

(b) No such grievance has been brought before the Central Board of Direct Taxes.

(c) No, Sir. No proposal to give income tax exemption to fish farmers at par with agriculturists is currently under consideration.

**Industry drawback due to education cess**

1454. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have revised all industry drawback rates factoring in the education cess;

(b) if so, the details thereof;

(c) whether this revision will meet the requirements of transparency and prevent disputes and litigations arising from alleged over-invoicing of exports; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The Central Government *vide* its order dated 9th March, 2005 constituted a three-member Committee for formulation of All Industry Rates of duty drawback, 2005-06. The Committee had extensive consultations with various administrative Ministries, Export Promotion Councils and other stake holders. On the basis of recommendations of the Committee, appropriate *ad valorem* duty drawback rates were notified for various export items *vide* notification No. 36/2005-Customs (N.T.) dated the 2nd May, 2005. Thereafter, in pursuance of further recommendations of the Committee, drawback rates on certain items have been revised *vide* notification No. 102/2005-Customs (N.T.) dated 18th November, 2005. Education cess has been factored in the drawback calculation.

To ensure transparency and minimise classification disputes, the Drawback Schedule has been fully aligned with Harmonised System of Nomenclature at four-digit level. The new Schedule now covers about 2620 entries comprising 685 entries at the four-digit level and 1935 entries at the six-digit/eight-digit/modified six/eight-digit level. Drawback caps have been imposed for almost all export items to preclude the possibility of misuse through over-invoicing.